



THE ASSISTANT SECRETARY OF THE NAVY
Research Development and Acquisition
1000 Navy Pentagon
Washington DC 20350-1000
JAN 15 1998

MEMORANDUM FOR DISTRIBUTION

Subj: DON GUIDANCE ON REQUIRING PROCESSES ON CONTRACT

Ref: (a) SECDEF memo of 29 Jun 94, Specifications & Standards - A New Way of
Doing Business
(b) USD(A&T) memo of 18 Sep 97, Requiring Processes on Contract

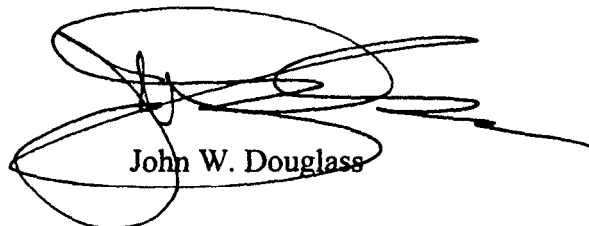
Reference (a) states DoD's policy to rely on performance-based requirements wherever practicable and establishes a waiver policy for citing specifications and standards that define exact design solutions. Reference (b) reaffirms the policy to rely on performance-based requirements and requires Major Defense Acquisition Programs (MDAPs) to obtain a waiver before contractually imposing standard management approaches or manufacturing processes. The memo establishes this procedure as the preferred approach for all new system acquisitions.

One of the primary tenets of acquisition reform is that contractors should be given flexibility to develop innovative solutions that meet performance objectives. Program offices should work closely with their industry counterparts early and continuously in the acquisition cycle to identify which processes (if any) are truly critical, to determine when controls on these processes need to be established, and to develop appropriate process management mechanisms. For the purposes of this memo, a process is a specific, defined systematic series of actions directed toward achievement of a goal.

In several product areas, such as high performance aircraft, submarines, strategic missiles and nuclear propulsion, the DoN has invested significant time and money to proof and validate critical processes. Specific attention should be placed on processes that impact safety, survivability, mission performance, or operational readiness. Controls over changes to these critical processes, whether contractual or otherwise, should provide the Government with both necessary insight into the reasons for the change and confidence in the changes.

Accordingly, each Systems Commander, Program Executive Officer, and Direct Reporting Program Manager will ensure the appropriate review and approval of standard management approaches and manufacturing processes prior to their imposition on MDAP and other ACAT new system acquisition contracts. Approval under a structured review constitutes waiver approval for use of processes on contract.

Quarterly metrics briefings commencing 1 Jan 1998 should describe your approach and experience in implementing this policy guidance.


John W. Douglass

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